

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

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November 23, 2004

FROM: ELIZABETH SANCHEZ, Director
Human Resources Department

SUBJECT: REQUEST FOR PROPOSALS FOR EMPLOYEE BENEFITS HEALTH AND WELFARE
CONSULTING AND ACTUARIAL SERVICES

RECOMMENDATION: Approve Request for Proposals (RFP) No. HRD-05-027 for Employee Benefits Health and Welfare Consulting and Actuarial Services and authorize Human Resources to release RFP No. HRD-05-027.

BACKGROUND INFORMATION: The County provides benefits to approximately 16,500 eligible active employees plus their eligible dependents and 2,500 retired employees. These benefits include medical, dental, accidental death and dismemberment, voluntary life, vision, various benefits plans associated with Internal Revenue Code, Section 125 (i.e., Flexible Spending Plan and Flexible Spending Accounts) and several salary savings plans. To properly administer each of these plans, ensure compliance with constantly changing regulations, and provide the most cost-effective benefits, the County requires the services of consultants and actuaries who specialize in various benefit programs.

Presently, the County uses the services of three consulting/actuarial firms: Mellon Financial Corporation, Mercer Human Resource Consulting, Inc., and SST Benefits Consulting & Insurance Services, Inc. (SST) for all benefits programs. The Board approved these contracts on May 14, 2002 and they remain in effect until April 15, 2005. The Board amended SST's contract on October 19, 2004 to extend it until June 30, 2005 for purposes of the completing the ongoing medical RFP. The department intends to complete the RFP process and provide recommendations to the Board by April 2005.

Human Resources developed a list of consultants, which is included as Attachment 1 and is on file with the Clerk of the Board, to whom the RFP will be provided. The RFP will also be posted on the County website.

REVIEW AND APPROVAL BY OTHERS: This item has been reviewed by Purchasing (Allen Sanchez, Staff Analyst, 387-2065) on November 2, 2004; County Counsel (Jean-Rene Basle, Deputy Counsel, 387-5477) on November 9, 2004; and the County Administrative Office (Daniel R. Kopp, Administrative Analyst, 387-3828) on November 12, 2004.

FINANCIAL IMPACT: Issuance of the RFP will not result in additional cost. After evaluation of the RFP responses, a recommendation and its financial impact will be presented to the Board.

COST REDUCTION REVIEW: The County Administrative Office has reviewed this agenda item, concurs with the department's proposal, and recommends this action based on the need to procure consulting and actuarial services for the various health and welfare plans.

SUPERVISORIAL DISTRICTS: All

PRESENTER: Robin Ohama, Chief, Employee Benefits and Services Division, 387-5563

Record of Action of the Board of Supervisors

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